airport and in this country there has been a practice of naming international airports after great leaders like we have the Indira Gandhi International Airport, Jawaharlal Nehru International Airport, Netaji Subhash Chandra Bose International Airport, we should name the international airport at Thiruvananthapuram after late Krishna Menon. Will the Minister consider this suggestion or not?

SHRI RAMAKANT D. KHALAP: Sir, we will keep in mind the suggestion made by the hon. Member.

MR. CHAIRMAN: Shri Sharief-Ud-Din Shariq.

SHRI SHARIEF-UD-DIN SHARIQ: Hon. Chairman, Sir.....

MR. CHAIRMAN: Does it pertain to the Thiruvananthapuram airport?

SHRI SHARIEF-UD-DIN SHARIQ: Yes, Sir. It pertains to the Thiruvananthapuram airport.

श्री शरीफ-उद्-दीन शरिक: आनरेबल चेयरमैन साहब, मैं पहले गवर्नमेंट आफ इंडिया का शुक्रिया अदा करूंगा। पहली बार रियासत जम्मू-कश्मीर से हाज़ियों को इस साल मक्के-मोअज्जमां के लिए श्रीनगर से डारेक्ट जिद्दा के लिए ले जाया जा रहा है। वरना पहले उनको यहां आकर दिल्ली में ही रूकना पड़ता था और तमाम दिक्कतों का सामना करना पड़ता था। इसलिए मैं इनका शुक्रिया करता हूं और ये शुक्रिया के लिए मुस्तहक भी हैं। साथ ही साथ मैं यह भी गुजारिश करूंगा कि बड़ी देर से हमारा मुतालबा श्रीनगर एअरपोर्ट को इन्टरनेशनल एअरपोर्ट बनवाने का है। इसके बारे में कई बार आश्वासन भी सरकार की तरफ से दिया गया है। मैं मिनिस्टर साहब से गुज़ारिश करूंगा कि इस सिलसिले में क्या कोई तजवीज़ इनके जेरे-गौर है?

श्री रमाकांत डी० खलप: सभापति जी, इस बारे में मैं यह कहूंगा कि एक सेपरेट नोटिस दिया जाये क्योंकि श्रीनगर एक बहुत बड़ा इम्पोर्टेन्ट डेस्टीनेशन है। इसके बारे में कोई भी चीज़ कहने के पहले अगर आप हमें नोटिस दे देंगे तो हम आपको पूरी जानकारी दे देंगे। कृपया आप सेपरेट नोटिस दीजिए।

MR. CHAIRMAN: Question No. 327

**327. [The Questioner (Shri Mukesh R. Patel and ShriSanjay Nirupam) were absent. For answer vide col. 33 infra.]*

MR. CHAIRMAN: So many Members after asking question absent themselves. Now, Question No. 328.

New Branches Opened by Nationalised Banks in Andhra Pradesh

*328. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether nationalised banks have opened any new branches in Andhra Pradesh in 1996-97;

(b) if so, the number of such branches;

(c) whether it is a fact that nationalised banks are deliberately reducing activity in Andhra Pradesn; and

(d) if so, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Reserve Bank of India (RBI) have reported that 10 branches of nationalised banks have been opened in Andhra Pradesh during the period 1st April, 1996 to 28th February, 1997.

Reserve Bank of India have also reported that during the same period, they had approved 24 proposals for opening of new branches in the State.

(c) No, Sir.

(d) Does not arise.

SHRI YERRA NARAYANASWAMY: Mr. Chairman, Sir, to some extent I am satisfied with the reply of the hon. Finance Minister. At the same time, one of the reasons for which banks were nationalised was to ensure credit and finance to agricultural and rural sector. Ever since liberalisation, banks have been reducing their activities in rural areas. They seem to be interested in financing industry, trade, export, etc., and core activities like agriculture /economic programmes meant for weaker sections are being ignored. It would be impossible for private sector to undertake these

tasks. Moreover, as the nationalised banks are going away from the agricultural sector, high interest lending private enterprises are stepping into rural areas. Sir, I would like to know whether the Government would stipulate that a minimum number of branches be opened every year by nationalised banks in rural areas.

SHRI P. CHIDAMBARAM: Sir, the policy of branch licensing is laid down by the Reserve Bank of India. The aim of the branch licensing policy is to achieve a population coverage of 17,000 per bank office in the rural and semi-urban areas of each block in the country as well as to eliminate wide spatial gaps in the availability of banking facilities. In the hilly and tribal areas and sparsely populated regions, the criterion is 10,000 per branch office.There is also the service area approach to rural lending under which each bank branch is expected to cover 15 to 20, 25 villages. Sir, as of 1990, the country had a network of 58,901 branches, out of which 34,063 branches are in rural areas. I don't think Sir, at this stage, I need to add to the RBI's laid down policy.

SHRI YERRA NARAYANASWAMY: Sir, part (a) of my second supplementary is this. The nationalised banks are not improving their service to customers and it takes a lot of time in getting things done. I would like to know as to what steps the Government is going to take so that nationalised banks improve their customer service.

SHRI P. CHIDAMBARAM: Sir, competition has improved service in nationalised banks. I believe, more competition will improve the quality of services in nationalised banks.

SHRI YERRA NARAYANASWAMY: Sir, part (b) of my second supplementary is this.

SHRI P. CHIDAMBARAM: His third supplementary.

SHRI YERRA NARAYANASWAMY: Sir, many private finance companies with high rate of interest are coming up. Some of them are bogus and they are cheating the depositors. I would like to know whether there is any proposal with the Government to enhance the interest rates on deposits in nationalised banks to attract depositors to deposit their savings in these nationalised banks.

SHRI P. CHIDAMBARAM: Sir, interest rates are being deregulated, except for loans up to Rs. 2 lakhs. I think the deregulated interest rate regime is the correct policy. Banks are now competing with each other for deposits, and I think interest rates will be determined by supply and demand.

SHRI N. GIRI PRASAD: Thank you, Sir. As far as these public sector banks' branches are concerned, there are many requests from various places for the setting up of some more branches, but the Government, nowadays, it appears, is withdrawing itself from many of these branches because of non-profitability or otherwise. At least, there is one place—I have brought it to the notice of the hon. Minister—which is the head-quarters of an Assembly constituency where there is only one branch of the scheduled banks. There the people want another branch of a commercial or a scheduled bank so that there will be better competition and also better customer service. It is in such cases, it is in such bigger places that the Government has the responsibility to set up branches. Therefore, may I request the hon. Minister to consider this proposal?

SHRI P. CHIDAMBARAM: Sir, banks have to apply to the Reserve Bank of of India, proposing to open their branches. There is a branch licensing policy. Substantial amount of freedom is given to banks which satisfy certain criteria. For example, if a bank has a capital adequacy of 8 per cent, it has minimum-owned funds of Rs. 100 crores, it has shown net profit for two consecutive years, and its non-performing assets

do not exceed 15 per cent of the total outstanding loans, the bank has the freedom to open a branch.

Now, in a particular place, whether a branch should be opened or not, is a matter for the bank to decide. I can only goad the bank to open a branch. I have no doubt in my mind that I would have forwarded the hon. Member's demand to the Reserve Bank of India and to the concerned bank.

However, Sir, I do not think it is proper for the Government of India to direct a bank to open a branch. I think we should encourage them to take these decisions. We should encourage them to take these decisions, keeping in mind the interest of the borrowers and the lenders. I will continue to do so. I will once again send the hon. Member's suggestion to the concerned bank. But I think we should leave the decision to the bank itself.

SHRI SATISH AGARWAL: Correct approach.

SHRI SURINDER KUMAR SINGLA: Mr. Chairman, Sir, I feel that the bank branch policy is inadequate. It is really not reflecting the bank business potential in an area. Actually, the Reserve Bank of India has carried on with this policy for too long a period now-in terms of the population coverage and based on the facilities provided. My question, in this regard, to the hon. Minister is: would he recommend to the Reserve Bank of India to look at the bank business potential available, even if it requires the opening of two-three branches in a small area? New norms and new policies have really to be adopted by the Reserve Bank of India.

SHRI P. CHIDAMBARAM: Mr. Chairman, Sir, I shall certainly pass on the suggestion of the hon. Member to the Reserve Bank of India.

SHRI K.M. SAIFULLAH. Sir Rayalaseema in Andhra Pradesh being a backward area, and there being not many nationalised bank branches in that area, may I get an assurance from the hon. Minister that he would see that more bank branches are set up in that area?

SHRI P. CHIDAMBARAM: Sir, I have a list of 24 proposals which have been approved, as I said. I will pass on this list to the hon. Member. I am sorry, I do not know which branch is in the Rayalaseema area and which is outside the Rayalaseema area. I will give this list to the hon. Member.

*329. *[The Questioners (Shri Nagmani) was absent. For answer vide col-34 infra.]*

*330. *[The Questioner (Shri Anantray Devshankar Dave) was absent. For answer vide col. 35 infra.]*

*331. *[The Questioner (Shri V. Rajan Chellappa) was absent. For answer vide col. 36 infra.]*

*332. *[The Questioners (Dr. Ranbir Singh and Shri Ram Nath Kovind) was absent. For answer vide col. 41 infra.]*

परिचालनात्मक लाभों के बावजूद सरकारी क्षेत्र के बैंकों को हुए घाटे

*333. **श्री राम जेठमलानी:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि वित्तीय वर्ष 1995-96 में सरकारी क्षेत्र के बैंकों के परिचालनात्मक लाभों में वृद्धि होने के बावजूद कुल मिलाकर उन्हें घाटा ही हुआ है;

(ख) यदि हां, तो वर्ष 1995-96 में परिचालनात्मक लाभ में कितनी वृद्धि होने का अनुमान है;

(ग) उक्त अवधि में बैंकों को कुल कितना घाटा होने का अनुमान है; और

(घ) बैंकों के परिचालनात्मक लाभ में वृद्धि होने के बावजूद उन्हें घाटा होने के क्या कारण हैं?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table.

Statement

(a) Yes, Sir